

STATE OF TENNESSEE
COMPUTATION OF LEGAL DEBT SERVICE MARGIN
JUNE 30, 1997

TABLE V

(Expressed in Thousands)

LEGAL DEBT SERVICE LIMIT (1997 PLEDGED REVENUES OF \$694,114/150%)	\$	462,742
LESS - 1997 DEBT SERVICE REQUIRED ON ALL GENERAL LONG-TERM DEBT, INCLUDING STATE LOAN PROGRAM AND FACILITIES REVOLVING FUND GENERAL OBLIGATION BONDS		<u>109,552</u>
LEGAL DEBT SERVICE MARGIN	\$	<u><u>353,190</u></u>

	COLLECTIONS FOR FISCAL YEAR 1997				PLEDGED	
	PORTION	ALL	LOCAL	TOTAL	PER CENT	AMOUNT
	PLEDGED	GOVERNMENTAL FUND TYPES	GOVERNMENT FUND			
CALCULATION OF 1997 PLEDGED REVENUES AS ABOVE:						
GASOLINE TAX	29.3%	\$ 351,402	\$ 207,228	\$ 558,630	29.3%	\$ 163,678
PETROLEUM PRODUCTS FEE	ALL	27,115	12,017	39,132	100.0%	39,132
MOTOR VEHICLE REGISTRATION FEE	ONE-HALF	183,643		183,643	50.0%	91,822
FRANCHISE TAX	ALL	399,482		399,482	100.0%	399,482
TOTALS		\$ <u><u>961,642</u></u>	\$ <u><u>219,245</u></u>	\$ <u><u>1,180,887</u></u>		\$ <u><u>694,114</u></u>

NOTE: Pledged revenues for the last five years are shown below:

FISCAL YEAR	PLEDGED REVENUES	PERCENT INCREASE
1993	489,313	0.1
1994	526,996	7.7
1995	561,712	6.6
1996	573,205	2.0
1997	694,114	21.1